MULTIMEDIA UNIVERSITY*

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2022/2023

BBF2084 RISK MANAGEMENT

(All sections/Groups)

2 OCTOBER 2023
2.30 P.M. – 4.30 P.M.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 2 pages.
2. Attempt **ALL** questions. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Assuming that you are holding the role as the risk manager at a manufacturing firm situated within a high-risk sector. The company is presently in the process of assessing its methods for managing risks, contemplating the viability of both conventional insurance and captive insurance. The organization is confronted with a range of risks, encompassing property harm, product liability, and disruptions to business operations. In your capacity as the risk manager, you have been tasked with the responsibility of analysing these circumstances and offering a recommendation regarding the most fitting course of action for transferring these risks.

(a) Explain what particular risk process that you must do. (5 marks)

(b) Compare and contrast **THREE (3)** benefits of traditional insurance and **THREE (3)** benefits captive insurance for the manufacturing company.

(20 marks)

(Total: 25 marks)

QUESTION 2

You are part of a team responsible for creating a new software application for a client. During this project, you have identified many possible problems that could affect its success. So, you need to suggest ways to the client for dealing with or controlling and watching over or managing these risks. Discuss the difference between controlling and managing risk.

(Total: 25 marks)

QUESTION 3

(a) The audit committee's role is critical in safeguarding the integrity of financial reporting, maintaining effective risk management, and upholding good corporate governance practices within an organisation. Discuss **FIVE (5)** key areas where the audit committee's focus should be and how it contributes to effective risk management, compliance, and governance.

(15 marks)

Continued ...

(b) The separation of board committees in corporate governance is an important aspect of ensuring transparency, accountability, and effective decision-making within a company's board of directors. Discuss the significance of separate committees such as the nominations committee and the remuneration committee in large organizations. Explain their respective roles, emphasizing how these committees contribute to effective governance and organizational performance.

(10 marks)

(Total: 25 marks)

QUESTION 4

(a) Explain the difference between may tolerate a risk and risk tolerance with examples. (10 marks)

(b) Explain business continuity plan, disaster recovery plan and crisis management (provide one real life example for each plan). Discuss how is the relationship between these three plans.

(15 marks)

(Total: 25 marks)

End of Paper